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## FINANCIAL SERVICES REPUBLICAN MORNING CLIPS 10.23.2009

Wall Street Journal: "Fed Hits Banks With Sweeping Pay Limits ... In a one-two punch at the pay culture of banks and Wall Street firms blamed for the financial crisis, the U.S. government announced plans to aggressively regulate compensation at thousands of lenders and impose steep pay cuts at seven companies that received billions in federal aid."

Wall Street Journal: "Pay Master Navigated Some Conflicting Demands ... At the heart of Kenneth Feinberg's job as the Treasury's special master for compensation has been a series of tense paradoxes."

Wall Street Journal: "Plan Aims to Curb Dangerous Risks ... The Federal Reserve's new compensation rules mark an ambitious attempt by the government to fix a problem banks haven't been able to manage on their own."

Wall Street Journal: "Bernanke Calls for Action on Reform ... Federal Reserve Chairman Ben Bernanke called on Congress Friday to act on financial reform efforts, as the central bank itself works to implement a number of measures that should help shore up the state of the financial system."

Wall Street Journal: "Bank Failure 100 Is Near; One CEO Buys ... It is only a matter of hours before the 100th bank failure of 2009. When that happens, 72-year-old John Morrison will be ready."

Wall Street Journal: "Our New Paymasters ... In the annals of what used to be known as American capitalism, yesterday will go down as a sorry day: The Treasury and Federal Reserve announced wage controls on private American companies."

Wall Street Journal: "Preventing the Next Financial Crisis ... The United States is headed toward a new financial crisis. History gives many examples of countries with high actual and expected money growth, unsustainable budget deficits, and a currency expected to depreciate."

Washington Post: "Government widens control over paychecks ... The Federal Reserve joined the Treasury Department on Thursday in imposing new limits on executive pay, extending the government's control over compensation at taxpayer-owned companies to institutions that are merely government regulated."

Washington Post: "Pay restrictions may not fix underlying risk-taking ... With financial markets booming even as Main Street is still largely mired in recession, policymakers in Washington on Thursday were scrambling to contain growing populist anger by proposing new rules to curb runaway pay on Wall Street."

Washington Post: "Wall Street on the lam ... Slashing executive salaries, bonuses and perks at the seven bailed-out companies that gorged most gluttonously at the public trough is emotionally satisfying, but it shouldn't be. It's like arresting jaywalkers while ignoring the bank robbery that's happening in broad daylight down the block."

NY Times: "Fed Plans to Vet Banker Pay to Discourage Risky Practices ... The Federal Reserve announced Thursday that it would crack down on pay packages that encouraged bankers to take excessive risks, but officials acknowledged that the plan might not reduce the biggest paychecks on Wall Street."

NY Times: "Pay Czar Doubts Cuts Will Make Bankers Leave ... Kenneth R. Feinberg, the government's special master for compensation, has spent nearly five months studying pay packages at some of the nation's largest banks. But ask him if bankers and traders earn far too much money, and he demurs."

NY Times: "Freddie Mac's Secrecy Pacts Face Court Test ... One year after the government took over and bailed out Freddie Mac, the giant mortgage finance company, federal regulators are blocking former employees from revealing information to investors who are suing the company for fraud, lawyers for shareholders say."

NY Times: "Vote Backs a Financial Oversight Body ... The House Financial Services Committee voted on Thursday to create an agency to protect consumers from predatory lending, deceptive credit card terms and other abuses."

NY Times: "Credit Card Chicanery ... Congress blundered badly when it gave the credit card industry as long as 15 months to phase out the deceptive and predatory practices that were outlawed in a new law enacted in May."

NY Times: "Pay Cuts, but Little Headway in What Matters Most ... And then the country's pay czar descended from the mountaintop, or at least from his Washington law office, and handed down his rulings. And for his 175 subjects - er, I mean the 25 most highly paid executives at the seven big companies that still hold billions of dollars in government assistance - his rulings were painful."

LA Times: "Bank bonuses are in Fed's cross hairs ... Escalating the government's intervention in corporate pay practices, the Federal Reserve moved Thursday to restrict the ability of thousands of banks to pay bonuses in an effort to curb risky practices widely cited for helping to trigger the global financial crisis."

LA Times: "House panel backs creation of Consumer Financial Protection Agency ... A House committee voted to create a federal agency to protect consumers in the financial marketplace, but several days of often-contentious debate showed that obstacles still confront one of the centerpieces of President Obama's overhaul of industry regulations."

USA Today: "Wall Street feels wrath of man on the street with exec pay cuts ... Faced with growing public fury about a \$700 billion bailout, Washington cracked down Thursday on Wall Street excesses, moving to rein in reckless banker pay and to protect consumers from predatory lenders:"

USA Today: "Bernanke urges Congress to act now on overhaul ... Federal Reserve Chairman Ben Bernanke prodded Congress Friday to enact legislation overhauling the nation's financial regulatory system to prevent a repeat of the banking and credit debacles that had thrust the country into crisis."

USA Today: "Fed would police bank pay under new policy ... The Federal Reserve would police banks' pay policies to ensure they don't encourage employees to take reckless gambles like those that contributed to the financial crisis, according to a proposal unveiled Thursday."

Reuters: "Behind the Fed's move to regulate Wall St pay ... Before the financial crisis erupted a little over a year ago, executive pay was hardly on the Fed's front-burner."

Reuters: "Treasury: care needed in redirecting bailout fund ... The Obama administration must tread carefully while redirecting a \$700-billion bank bailout fund to support struggling housing and small business sectors because the financial system is still fragile, a senior Treasury official said on Thursday."

Bloomberg: "Feinberg Wants All Companies to Adopt Pay-Cut Model (Update1) ... The Obama administration's special master for executive compensation said the pay reductions he demanded at seven taxpayer-rescued firms should become the model for the rest of Wall Street and corporate America."